


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION II

195362



DATE: NOV 2 1989

SUBJECT: Recommended Clarification on Invoicing For Contract #68-W8-0102,  
S & D Engineering Services, Inc.

FROM:   
Christopher A. Militscher, Project Officer  
Response and Prevention Branch, 2ERR-RPB

TO: Stanley H. Murphy, Contracting Officer  
Superfund Contracting Unit, 2PM-FAM

During a progress meeting with S & D Engineering Services, Inc. on October 19, 1989, Norman Vogelsang and I were informed of a potential problem regarding the frequency of submission of delivery order invoices from S & D Engineering Services, Inc. and EPA's ability to process them for payment. Primarily, S & D Engineering Services is concerned about their financial status and reputation involving subcontractor payments.

In the past, our office has interpreted the ERCS contract to mean that the contractor must submit one invoice per delivery order per month. Due to the normal size and time for OSC's to review and certify the ZONE ERCS contractors' invoices, we have been reluctant to accept more than one invoice per month per delivery order.

In the case of S & D Engineering Services, Inc., which is a small business, it has been explained that a majority of invoiced costs appear on a monthly invoice. However, after its submission to EPA, they occasionally receive subcontractor requests for payment by S & D. A full billing period (i.e. a month) for a new invoice to EPA has than been requested by us until the subcontractor costs can be included on a new invoice. This has caused S & D some initial problems with their creditors and subcontractors who wished to be paid within a few days. I believe that their concerns are valid. However, we also do not wish to place additional, unnecessary administrative burdens on the OSC's or secretarial/clerical staff. Thus, I'm requesting that a reasonable clarification be made to the contract to reduce the potential for future problems concerning S & D's ability to perform effectively under the contract.

I propose that S & D be allowed to send up to three (3) invoices per delivery order per month. The regular monthly invoice should include the majority of labor, equipment, and materials costs for the current billing cycle. The other two (2) invoices would be limited to subcontractors' costs and should be no more than twenty (20) total pages each to be reviewed and certified by the OSC and that the total invoiced amount be at least \$500.00 or more for each invoice. Any subcontractor charges less than this

amount should be held by S & D until the regular monthly invoice under that delivery order.

I believe that this may help to alleviate S & D's concerns and at the same time not create an enormous administrative burden on the OSC's and secretarial/clerical staff. Therefore, I am recommending that this procedural clarification be discussed between you and S & D and included as a modification to the contract, if necessary.

Should you have any questions, please call me at FTS 340-6647.

cc: R. Salkie, 2ERR-ADREPP

G. Zachos, 2ERR-RAB

B. Sprague, 2ERR-RPB

N. Vogelsang, 2ERR-ADREPP

On-Scene Coordinators for Removal Action Branch and  
Response and Prevention Branch.